

SENATE MOTION

MADAM PRESIDENT:

I move that Senate Bill 121 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 28-7-5-21 IS AMENDED TO READ AS
- 4 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 21. (a) The pawnbroker
- 5 shall, at the time of making a loan, deliver to the pledger or the
- 6 pledger's agent a memorandum or ticket on which shall be legibly
- 7 written or printed:
- 8 (1) the name of the pledger;
- 9 (2) the name of the pawnbroker and the place where the pledge is
- 10 made;
- 11 (3) the article or articles pledged and a description of the articles.
- 12 However, if multiple articles of a similar nature that do not
- 13 contain an identification or serial number (such as precious
- 14 metals, gemstones, musical recordings, video recordings, books,
- 15 or hand tools) are delivered together in one (1) transaction, the
- 16 description of the articles is adequate if the description contains
- 17 the quantity of the articles delivered and a physical description of
- 18 the type of articles delivered, including any other unique
- 19 identifying marks, numbers, names, letters, or special features;
- 20 (4) the amount of the loan;
- 21 (5) the date of the transaction;
- 22 (6) the serial number of the loan;
- 23 (7) the sum of the interest as provided in section 28 of this chapter
- 24 and the charge as provided in section 28.5 of this chapter stated as
- 25 an annual percentage rate computed in accordance with
- 26 regulations issued by the Federal Reserve Board under the Federal
- 27 Consumer Credit Protection Act (as defined in IC 24-4.5-1-302);
- 28 (8) the amount of interest;
- 29 (9) the amount of charge and principal due at maturity;
- 30 (10) a copy of sections 28, 28.5, and 30 of this chapter;
- 31 (11) the date of birth of the pledger;
- 32 (12) the type of government issued identification used to verify

the identity of the seller, together with the name of the governmental agency that issued the identification, and the identification number present on the government issued identification; ~~and~~

(13) the date on which the pledged article or articles may be sold if the loan is not redeemed, renewed, or extended, and the language must be in 14 point boldface type; **and**

(14) the date, time, place, and manner in which excess proceeds from the sale of a pawned article will be returned to the pledger, as required under section 30(d) of this chapter.

(b) A pawnbroker may insert in such ticket any other terms and conditions not inconsistent with this chapter. However, nothing appearing on a pawn ticket shall relieve the pawnbroker of the obligations to exercise reasonable care in the safekeeping of articles pledged with him.

SECTION 2. IC 28-7-5-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 30. (a) Upon the expiration of two (2) months from the maturity of the loan, a pawned article becomes the property of the pawnbroker and is subject to sale.

(b) Subject to subsections (c) through (e), a pawnbroker that sells a pawned article under this section may retain from the proceeds of the sale the sum of the following:

(1) The principal amount of the loan, plus accrued interest and any charge allowed under section 28.5 of this chapter.

(2) Any reasonable costs incurred by the pawnbroker in selling the pawned article, including costs incurred for advertising.

(c) If the proceeds of the sale of a pawned article under this section are less than the sum described in subsection (b), the pawnbroker may bring a civil action, in a court having jurisdiction, against the pledger for the difference between the sale proceeds and the sum described in subsection (b).

(d) If the proceeds of the sale of a pawned article under this section are greater than the sum described in subsection (b), the pawnbroker shall return the excess of the proceeds over the sum described in subsection (b) to the pledger not later than thirty (30) days after the date of the sale. The memorandum or ticket delivered to the pledger under section 21 of this chapter at the time the loan was made must specify the date, time, place, and manner in which any funds owed to the pledger under this subsection will be returned.

(e) The sale of a pawned article under this section shall be conducted in a commercially reasonable manner and in accordance with the standards that:

(1) apply to other institutions subject to regulation under this title; and

(2) concern the sale of property pledged as security for a loan.

- 1 **(f) The department may adopt rules under IC 4-22-2 to**
- 2 **implement this section."**
- 3 Renumber all SECTIONS consecutively.
 (Reference is to SB 121 as printed February 8, 2005.)

Senator STEELE